



Competition Commission of India

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Competition Commission of India (CCI) is a **statutory body** of the **Government of India** responsible for enforcing **the Competition Act, 2002**, it was duly constituted in March 2009.

- The **Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act)** was repealed and replaced by the **Competition Act, 2002**, on the recommendations of **Raghavan committee**.
- Competition Commission of India aims to establish a robust competitive environment.
 - **Through proactive engagement** with all stakeholders, including consumers, industry, government and international jurisdictions.
 - By being a knowledge intensive organization with high competence level.
 - Through professionalism, transparency, resolve and wisdom in enforcement.
- In May 2022, the finance minister **participated in the 13th Annual Day commemoration** of the CCI.
 - Finance Minister also inaugurated the regional office at Kolkata and launched an upgraded website of CCI.

What is the Competition Act, 2002?

- The Competition Act was passed in 2002 and has been amended by the **Competition (Amendment) Act, 2007**. It follows the philosophy of modern competition laws.
 - The Act **prohibits anti-competitive agreements**, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India.
 - In accordance with the provisions of the Amendment Act, **the Competition Commission of India** and the **Competition Appellate Tribunal** have been established.
 - Government replaced Competition Appellate Tribunal (COMPAT) with the **National Company Law Appellate Tribunal (NCLAT)** in 2017.

What is the Composition of CCI?

- The Commission consists of one Chairperson and six Members as per the Competition Act who shall be appointed by the Central Government.
- The commission is a **quasi-judicial body** which gives opinions to statutory authorities and also deals with other cases. The Chairperson and other Members shall be whole-time Members.
- **Eligibility of members:** The Chairperson and every other Member shall be a person of ability, integrity and standing and who, has been, or is qualified to be a judge of a High Court, or, has special knowledge of, and professional experience of not less than fifteen years in international trade, economics, business, commerce, law, finance, accountancy, management, industry, public affairs, administration or in any other matter which, in the opinion of the Central Government, may be useful to the Commission.

What are the Functions and Roles of CCI?

- **To eliminate practices having adverse effect on competition**, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India.
- **To give opinion on competition issues** on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.
- The Competition Commission of India takes the following measures to achieve its **objectives**:
 - **Consumer welfare**: To make the markets work for the benefit and welfare of consumers.
 - **Ensure fair and healthy competition in economic activities** in the country for faster and inclusive growth and development of the economy.
 - **Implement competition policies** with an aim to effectuate the most efficient utilization of economic resources.
 - Develop and nurture effective relations and interactions with sectoral regulators to **ensure smooth alignment of sectoral regulatory laws in tandem with the competition law**.
 - **Effectively carry out competition advocacy** and spread the information on benefits of competition among all stakeholders to establish and nurture competition culture in Indian economy.
- The Competition Commission is India's competition regulator, and an **antitrust watchdog** for smaller organizations that are unable to defend themselves against large corporations.
- CCI **has the authority to notify organizations** that sell to India if it feels they may be negatively influencing competition in India's domestic market.
- The Competition Act guarantees that no enterprise abuses their '**dominant position**' in a market through the control of supply, manipulating purchase prices, or adopting practices that deny market access to other competing firms.
- A foreign company seeking entry into India through an **acquisition or merger** will have to abide by the country's competition laws.
 - Assets and turnover above a certain monetary value will bring the group under the purview of the Competition Commission of India (CCI).

What are the Judgements of CCI?

- CCI imposed a fine of ₹63.07 billion (US\$910 million) on 11 cement companies for **cartelisation** in June 2012. It claimed that **cement companies** met regularly to fix prices, control market share and hold back supply which earned them illegal profits.
- CCI imposed a penalty of ₹522 million (US\$7.6 million) on the **Board of Control for Cricket in India (BCCI)** in 2013, for misusing its **dominant position**.
 - The CCI found that IPL team ownership agreements were unfair and discriminatory and that the terms of the IPL franchise agreements were loaded in favor of BCCI and franchises had no say in the terms of the contract.
- CCI imposed a fine of ₹10 million upon **Google** in 2014 for failure to comply with the directions given by the Director General (DG) seeking information and documents.
- CCI imposed a fine of ₹258 crores upon Three **Airlines** in 2015.
 - Competition Commission of India (CCI) had penalized the three airlines for **cartelisation** in determining the **fuel surcharge** on air cargo.
- CCI ordered a probe into the functioning of **Cellular Operators Association of India (COAI)** following a complaint filed by **Reliance Jio** against the **cartelization** by its rivals Bharti Airtel, Vodafone India and Idea cellular.
- The commission ordered an **antitrust probe** against **Google** for abusing its dominant position with Android to block market rivals. This probe was ordered on the basis of the analysis of a similar case in the EU where Google was found guilty and fined.
- CCI issued letters to handset makers in 2019, seeking details of terms and conditions of their agreement with Google.
 - This is to ascertain if Google imposed any restrictions on them for using the company's apps in the past 8 years from 2011.

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- **Consumer Welfare**, to make the markets work for the benefit and welfare of consumers.
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What are the Achievements of CCI till now?

- The Commission has **adjudicated more than 1,200 antitrust cases i.e., case disposal rate is 89 % in antitrust cases.**
- It has also **reviewed more than 900 mergers and acquisitions till date**, cleared most of them, **within a record average time of 30 days.**
- The Commission has also come up with several innovations like the **'Green Channel' provision for automated approval on combinations/transactions** and cleared more than 50 of such transactions.

What are the Challenges?

- **Challenges Posed by Digitization:** As we didn't have a robust digital economy at the time of enactment of the Act (2002), CCI should understand the technological nuances of the new digital era.
- **Need For New Market Definition:** India's Commission needs to update its definition of market now. Since there are **no boundaries in the digital space, defining relevant markets has been a tough task for regulators** around the globe.
- **Threat From Cartelization:** There is a possibility of threat from cartelization. Since there is a global shortage of commodities due to the pandemic, and now, following **the war in Eastern Europe**, the supply chain has been adversely affected.
 - There is a need to look into these and ensure that there are no monopolistic/duopolistic tendencies leading to **price rises and supply side manipulations.**